

PART I - THE SCHEDULE

**SECTION B
SUPPLIES OR SERVICES AND PRICES/COST**

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SECTION B

SUPPLIES OR SERVICES AND PRICES/COST

B.1 SERVICES BEING ACQUIRED

The Contractor shall be responsible for planning, managing, integrating, operating and implementing a full range of Hanford programs, projects, and other activities as set forth in Section C. The Contractor shall, in accordance with the terms of this contract, furnish all personnel, facilities, equipment, materials, supplies, and services (except as expressly set forth in this contract as furnished by the Government) and otherwise do all things necessary for, or incident to, performing in an efficient and effective manner all work set forth in Section C, or as may be directed by the Contracting Officer within the scope of this contract.

B.2 OBLIGATION OF FUNDS

The amount presently obligated by the Government with respect to this contract is nine billion, three hundred eighty-three million, nine hundred forty-nine thousand, eight hundred twenty-five dollars and twenty-three cents (9,383,949,825.23). Such amount may be increased unilaterally by DOE Contracting Officer written notice to the Contractor and may be increased or decreased by modification to the contract. Estimated collections from others for work and services to be performed under this contract are not included in the funds currently obligated. Such collections, to the extent actually received by the Contractor, shall be processed and accounted for in accordance with applicable requirements imposed by the DOE Contracting Officer. Nothing in this paragraph is to be construed as authorizing the Contractor to exceed limitations stated in financial plans, such as the Financial Plan Report (for individual orders of work for other DOE offices and non-DOE funded work only), established by DOE and furnished to the Contractor from time to time under this contract, unless written direction is provided by the DOE Contracting Officer.

B.3 AVAILABILITY OF APPROPRIATED FUNDS

The duties and obligations of the Government calling for the expenditure of appropriated funds shall be subject to the availability of funds appropriated by the Congress, which DOE may legally spend or obligate for such authorized purposes. Any work performed that exceeds funds currently obligated by Program Parent controls and specific limitations identified in Contract Modifications to Section B.2 and Financial Plan Reports (for individual orders of work for other DOE offices and non-DOE funded work only), without the written consent of the DOE Contracting Officer, shall be at the Contractor's risk.

B.4 ESTIMATED COST AND FEE

- A. The Contract fee pool will be established at the target cost level. If additional scope and associated estimated cost is obligated to the Contract, the fee pool will be adjusted in accordance with paragraph C of this Clause. Additional funding and any associated fee will be added at the sole discretion of DOE.

(1) Estimated Cost:

The estimated cost of the Contract is the total funding provided from October 1, 1996, through September 30, 2008, \$9,232,546,355.56 plus an estimated cost of \$288,165,000.00 (includes fee) for the period October 1, 2008, through August 23, 2009, for total contract estimated cost of \$9,520,711,355.96 (including FY 2009 fee).

The estimated cost, including fee, for the initial contract extension of October 1, 2008 through January 15, 2009 and subsequent contract extensions through August 23, 2009 is set forth as follows (\$ in thousands):

PBS (\$000)	10/01/08 - 1/15/09	1/16/09 - 7/15/09	7/16/09 - 8/23/09	Total FY09 (through 8/23/09)
RL020 - Safeguards & Security	19,701	25,321	4,231	49,253
RL040 - Reliability Projects & HAMMER	4,808	6,390	2,646	13,844
RL041 - B Reactor	0	388	65	453
RL044/RL100 - B Reactor	0	512	187	699
General Site Services ⁽¹⁾	36,844	61,224	8,270	106,339
Pension ⁽¹⁾	33,657			33,657
Transfers to PRC ⁽¹⁾	-32,881			-32,881
Project Management Baseline	62,129	93,836	15,399	171,364
Office of River Protection	2,800	3,728	2,389	8,917
Legacy Benefit Plans (Fernald)	3,792	4,481	735	9,008
Work for Others	15,805	46,500	10,178	72,483
ARRA Support to OHCs		6,324	3,711	10,035
Subtotal	84,526	154,869	32,412	271,807
Fee	4,625	9,256 ⁽²⁾	1,925 ⁽²⁾	15,806 ⁽²⁾
ARRA Support Fee		348 ⁽³⁾	204 ⁽³⁾	552 ⁽³⁾
Total	\$89,151	\$164,473	34,541 ⁽²⁾	288,165 ⁽²⁾

- (1) GSS, Pension, and Transfers to PRC costs are distributed to various RL PBSs.
(2) The fee amounts for these periods have been unilaterally established by DOE.
(3) ARRA cost projection for FH work to be performed for the OHCs increases the fee base in the estimated amounts shown, and the fee to be earned on the ARRA cost projection is at the RL and FHI mutually agreed fee rate of 5.5%.

Per direction from DOE, the pension contribution by the Contractor of \$33.7M was made in October 2008, encompassing the former PHMC. Funding for this contribution was provided by DOE in FY 2008. Pension estimates do not include any changes that would result from DOE N 351.1 or from GAM 94 mortality tables. Should pension contributions beyond these amounts be needed, DOE will either provide additional funding beyond that identified in Section B.4 above to cover the full value of the increased contribution or agree to a corresponding decrease in work scope equal to the full value of the overage. Should required pension contributions be less than these amounts, the Contractor shall identify the savings resulting from the decreased contribution. DOE will determine the use of any cost savings associated with pension contributions below these amounts.

B. Fee

1. Pursuant to the fee schedule above, more or less fee may be paid out in a given year but in no case shall the paid fee exceed the fee amount in the "Total" column above.
2. Unearned fee that is not forfeited for failures to meet contract or performance-based incentive requirements shall be accrued, if appropriate, or recorded as a commitment.

C. Fee Pool Adjustment

If the estimated total cost for a fiscal year in the schedule set forth above in Paragraph A varies from the actual funding by more than plus or minus 10%, or the complexity of the target workscope changes significantly, the Contracting Officer may adjust the total available fee pool for that year based upon the Weighted Guidelines contained in the DOE Acquisition Regulations (DEAR).

D. Estimated Cost and Fee – Transition, Management, and Plan Sponsorship of Fluor Fernald, Inc., Defined Benefit Pension and Post Retirement Benefit (PRB) Plans.

The following subparagraphs apply to the work described in Section C.4.2.54 of the Statement of Work.

- (a) Subject to the other provisions of this Contract, reasonable and necessary costs incurred by the Contractor to accept transfer of sponsorship, administration and management of the Fluor Fernald pension and PRB plans as identified in Section C.4.2.54 of this Contract (Legacy Plans), which are currently sponsored and administered by Fluor Fernald, Inc. under the Fluor Fernald Closure Contract DE-AC24-01OH20115, shall be reimbursable under this Contract. However, the parties understand that the costs necessary to effectuate the transfer to Contractor and to comply with all legal and regulatory requirements associated with the transfer shall be paid by Fluor Fernald, Inc. under the Fluor Fernald Closure Contract DE-AC24-01OH20115.

- (b) Fee. The Contractor shall earn no incremental fee for sponsorship, management and administration of the Legacy Plans during the remainder of this Contract and during any extension to this Contract.

Absent the express, written approval of the Contracting Officer in advance, reimbursement of the aggregate annual contributions for pensions during a plan year shall not exceed the minimum funding standard under ERISA as amended by the Pension Protection Act of 2006.

B.5 SINGLE FEE

The parties formerly agreed to a single fee pool for the Contractor and Assigned Personnel (under teaming arrangements) under Clause B.4 of this Contract as originally executed. Pursuant to the Contractor's reorganization, the concept of "major subcontractor" as originally proposed is no longer applicable to this Contract. The Contractor agrees that it will not charge costs to the Contract representing any fee or profit for a subcontractor managing any work scope previously managed by a major subcontractor.

B.6 RESERVED

B.7 RESERVED

B.8 RESERVED